

**THE UNITED STATES AND THE REPUBLIC OF THE  
MARSHALL ISLANDS  
FROM DEPENDENCY TO FREEDOM: WHAT THE FUTURE  
HOLDS**

Thank you for your introduction. I am pleased to be here today on this beautiful Hofstra University campus.

At the outset, thank all of you who have made this symposium possible -- organizers, contributors and participants. I am gratified as the United States Ambassador to the Republic of the Marshall Islands (RMI), to see this conference focus on one of America's closest friends. I believe my colleague the Marshall Island's distinguished Foreign Minister Phillip Muller is also pleased. The United States enjoys a special relationship with the Marshall Islands; it is one of only three countries in the world where we enjoy a relationship of free association.

The theme of today's discussions is ambitious, "FROM DEPENDENCY TO FREEDOM: CHARTING THE FUTURE OF THE MARSHALL ISLANDS". I look forward to hearing your thoughts concerning the past, the present and particularly, the future of the RMI. I subscribe to Oscar Wilde's pronouncement on the future -- "There" he says, "is where the

artists are.” I am confident looking around the room at this distinguished gathering that we will be exploring the future, not only as students, researchers and policy makers, but also as artists with sensitivity to both our culture and values and with creative glimpses into the future. This is particularly important since there are those in the RMI and in the U.S. who do not believe the state of dependency can or should be shifted. I am not one of such thinkers.

Micronesian Islanders, including Marshallese have proven to be great adapters to change, For example, America’s first contacts with the islands began with visits by whalers and later included the settlement of missionaries by the mid-19th century. By the late 19th century the Germans, British and Spanish began to compete for influence in the region and more change became apparent. By 1885, the Marshall Islands were under German administration, The end of World War I in the 20th century brought the League of Nations’ mandate for Japanese administration of the area.

During World War II, the Americans came in force, In 1944, following intense fighting on Kwajalein and Enewetak, the United States took control of the Marshall Islands. Later, under United Nations trusteeship, the United States became the trustee and worked out over time, in partnership with the

RMI what was to become independence in free association with the United States.

Lessons from World War II led the United States to assure its national security and the security of the free world through its interactions in Europe with the Marshall Plan and in the Pacific, through its relationships with the Japanese, Koreans, other allies and friends including the Micronesian islands. The onset of the cold war convinced us that we also had to maintain primacy in weaponry. We embarked on a series of nuclear tests in the Marshall Islands to assure the security of free and democratic nations.

From 1946 to 1958, the United States carried out sixty-six underwater and atmospheric nuclear tests at Bikini (1946) and Enewetak (1947) atolls in the Marshall Islands. On February 28, 1954, a thermonuclear device code-named Bravo was detonated at Bikini Atoll. The energy yield of this experimental device exceeded predictions, and sudden wind changes sent the cloud of radioactive debris unexpectedly eastward over land rather than over open seas to the north. Consequently, the populations (including in utero) of Rongelap (86) and Utirik (167) were showered with radioactive debris for 2-3 days before being evacuated to Kwajalein atoll for medical

care. Bikini and Enewetak were evacuated prior to the start of the testing program in those locations.

There is an old saying, "If you don't know where you are going, any road will get you there." The U.S. and RMI, however, negotiated the road. It is the Compact of Free Association. And the Compact spells out where we agreed the RMI is going. The present relationship between the Marshalls and the United States rests on this strong foundation and there is much to build on for the future.

Many of you, I trust, will be taking a close look at the Compact which defines the present relationship between our two countries. It is a unique relationship, in which the Marshall Islands is self-governing and closely associated with the United States. The Compact also guarantees reciprocal privileges, such as those in immigration and official representation, and grants important rights to each country, such as the maintenance of security interests by the U.S. and participation in U.S. federal programs by the Marshall Islands.

The Compact of Free Association had several goals; three of which I want to highlight:

- First, to confirm the autonomy of the Marshall Islands;

- Second, to assure the security of both the Marshall Islands and the United States; and,
- Third, to assist the Republic of the Marshall Islands to reach its goal of economic self-sufficiency for its people.

Let's take a quick look to see how these three goals have been addressed thus far:

Since the implementation of the Compact in 1986, the RMI has been recognized as an independent and sovereign nation. The RMI is a member of the United Nations, an objective we supported. The United States values its close friendship with the Marshall Islands.

In today's world transnational issues frequently dominate individual nations' agendas: these include; the environment, terrorism, trade, international finance and narcotics. Because of our friendship and respect for common values, the United States appreciates the support by the leadership of the Marshall Islands on many tough issues in international fora. The RMI's support on these issues -- such as our mutual interest in UN reform-is very much recognized. We hope that

our involvement in issues dear to the Marshall Islands such as climate change is appreciated as well.

Next, the defense commitments in the compact and the willingness of the Marshallese to allow U.S. weapons testing have mutually helped us ensure global security. I know that there are a few who believe that the sacrifices of the Marshallese--and here I am talking about the nuclear legacy--have not been fully recognized by the United States.

As this issue will likely be covered in presentations you will make today, I want to review what the U.S. has done since the nuclear testing:

**We have ACCEPTED FULL RESPONSIBILITY:** Under Section 177 of the U.S.-RMI Compact of Free Association (P.L. 99-239, enacted October 1986) and its subsidiary agreements, the United States accepted full responsibility for the health and environmental damages caused by the U.S. Nuclear Testing Program.

**We have PROVIDED OVER HALF A BILLION DOLLARS IN COMPENSATION,** to the RMI for the U.S. nuclear testing program through Congressional appropriations and federal

services, such as the DOE medical health program and USDA surplus food assistance.

- **\$150 million** in 1987 to the RMI Government (GRMI) to create a **Trust Fund** for the health care and compensation of nuclear claims for the populations of the four atolls affected by the Nuclear Testing Program -- **Bikini, Enewetak, Rongelap and Utirik**. The GRMI established the Trust Fund and a Nuclear Claims Tribunal to adjudicate compensation claims.

Total distributions to be made over 15 years are as follows:

- \$30 million to the GRMI to establish a health care program, in addition to \$1.791 million annually to the RMI for health and medical services;
- \$75 million to the Bikini Distribution Authority for loss or damage to property and person of the people of Bikini;
- \$48.75 million to the Enewetak Distribution Authority for loss or damage to property and person of the people of Enewetak;

-- \$37.5 million to the Rongelap Distribution Authority for loss or damage to property and person of the people of Rongelap;

-- \$22.5 million to the Utirik Distribution Authority for loss or damage to property and person of the people of Utirik;

-- \$500,000 to the Government of the Marshall Islands for the establishment of the Claims Tribunal;

-- \$7.5 million to the Claims Tribunal for its operations; and

-- \$45.75 million to the Claims Tribunal for payment of monetary awards to individuals for health and land claims.

- **\$33.895 million** in 1989 for the rehabilitation and resettlement of Enewetak, and **additional \$10 million** in 19 for the Enjebi resettlement community trust.

- **\$20,072,000 in agricultural support assistance** for Enewetak, from 1980-96 through the Department of Interior.

- **\$130.624 million** in 19 for the rehabilitation and resettlement of Bikini.



- **\$1.754 million in food commodities** for Bikini, from 1979-84 through the U.S. Department of Agriculture.
- **\$3.8 million in food commodities, from 1988-94 through the U.S. Department of Agriculture**, to compensate the four-nuclear affected atolls for decreased agricultural capabilities resulting from the nuclear testing program. **Present annual funding is \$581,000.** Continued assistance over the next five years is likely.
- **Special medical care and treatment** for the radiation-exposed populations -- originally 253 people -- of Rongelap and Utirik. Today, this program is known as the **Department of Energy Marshall Islands Medical Program** and serves 238 people (130 exposed persons and a control group of 107) with the cooperative support of the Departments of Defense and Interior.
- **Environmental and radiological dose assessment monitoring** of the four nuclear-affected atolls through the Department of Energy.
- **\$3 million** in 19 to the GRMI to conduct medical surveillance and radiological monitoring activities.

### **What about additional compensation?**

- Under the Compact of Free Association, the U.S. and RMI agreed that Section 177 of the Compact "constitutes the full settlement of all claims, past, present and future" related to U.S. nuclear testing. Section 177 also provides that the RMI may submit a request for additional compensation to the U.S. Congress if:

(a) loss or damage resulting from the Nuclear Testing Program arises or is discovered which could not reasonably have been identified as of the effective date of the agreement, and

(b) such injuries render the provisions of the Agreement "manifestly inadequate."

Should the RMI submit a claim to Congress for additional compensation which meets these criteria, the Administration will give full consideration to the request.

Let me say a few words about the present-day developments in the RMI.

As all of you aware, 1996 had a sad ending with the death of the Republic's first president, Amata Kabua, in December. He was widely mourned in the region. President Amata Kabua was indeed the modern day father of his country. The RMI parliament has now elected a new president, Imata Kabua, to serve out the term of his deceased cousin Amata. The next elections are scheduled for 1999.

Under the compact, the United States agreed to assist the Republic of the Marshall Islands in its effort to advance the self-sufficiency of its people. Although the United States will have provided over one billion U.S. dollars in assistance and payments to the RMI by the year 2001, self-sufficiency still seems a distant goal. On a per capita basis, the RMI has received one of the highest levels of assistance (including payments) from the United States government to any country in the world higher even than that provided to Israel. U.S. assistance ranges from \$1000 to \$2000 for each man, woman and child of the Marshall Islands, per year. Some of the islanders have questioned what they have to show for it. That is a question for the leaders of the RMI. The U.S. commitment to help is strong, but the Marshall Islanders too have a responsibility to make the goal of economic self-sufficiency become more of a reality.

Economically, the country faces a dire situation that is testing the new political leadership. Over one-fourth of the fiscal year 1998 budget is obligated to pay off debt servicing requirements. Moreover, the public sector eats up a large quantity of the budget. The private sector faces considerable challenges. High-level politicians express hostility toward foreign entrepreneurs, even Americans, who enjoy reciprocal immigration privileges with Marshallese under the Compact. There is intermittent high-level interference in the work the country's expatriate managers have been hired to do. These actions raise the uncertainty level of many who would seek to invest in or find employment in the Marshall islands.

In the social realm, the RMI's population growth rate is one of the highest in the world. The population will almost have doubled by 2001 over 1986, the date the Compact was implemented. Per capita income is decreasing.

Unemployment is high. Social services, education and health services all face extreme pressures. There are naysayers who think the Marshall Islands can never achieve any degree of self-sufficiency.

We do not agree with the naysayers. There are problems but, there are positive things to report. The country's leaders are working with the Asian Development Bank to implement a

public sector reform program. The program will shift emphasis from public to private sector growth if it is fully implemented. Some belt-tightening steps are underway to reduce the number of public sector employees. Some costly government subsidies have been eliminated or reduced. A realistic shore-based fisheries industry policy is nearing the implementation stage, a tuna loining facility may begin operations in the spring of 1998, and a new drydock facility, already in operation, holds promise for servicing the shipping repair needs of the Marshalls and neighboring countries.

Finally, let me turn to the future. What does it hold, I am not a futurologist but let me sketch some possibilities:

- *It is likely that our countries will continue to be freely associated*, unless one of our two countries terminates that relationship.
- I can tell you with some certainty that the United States will continue to provide for the security of the Marshall Islands under the terms of an existing mutual security agreement.
- On October 20, 1999, the United States will be prepared to sit down and negotiate with the Marshall Islands as

required in the Compact. We will discuss with the Marshallese the economic assistance provisions in Title two of the Compact and elsewhere in Public Law 99-239 and subsidiary agreements to the Compact.

- It is likely The U.S. federal budget will continue to decrease and the United States will be looking carefully at its own fiscal resources as we examine ways to efficiently promote the long-term economic growth of the Marshall islands.
- I can tell you with some certainty that the emphasis the United States government places on trade and private investment, not aid, will inform much of the discussions.

On this last note, trade, not aid, let me share a few thoughts, again, thoughts I hope you will find useful in these sessions.

It is admittedly difficult for a small island developing nation, such as the Marshall islands, to compete in the global economy, but the Marshalls do have some advantages. These are in part:

- it uses the U.S. dollar;

- it has good location in its proximity to Hawaii,
- it has the right under the compact to live, work, and study in the United States.

The RMI needs to play to its advantages. Overall, economists see a major shift in the importance of trade, not aid. The problem is some pacific islands, and the Marshall islands in particular, are not profiting from this pacific dynamism. The Marshall Islanders have to help themselves, but the United States is willing to assist.

The U.S. would be pleased to contribute to continuing Marshallese economic reform by:

- being one of the principal markets for Marshallese exports;
- providing economic assistance targeted move toward stimulating private sector investment;
- supplying the technical expertise to help the Marshallese gain both foreign and local investor confidence through ending the aid-dependency syndrome and assuring investors -- both foreign and local -- that there will be

transparent and reliable Marshallese laws relating to commercial interests, including contract dispute resolution, and an independent judiciary to enforce the laws.

I hope this conference focuses on two key questions: “What kind of a future do the Marshallese want”? And “what kind of a future are they willing to work toward achieving”? With those answers, all of us in this room, Marshallese and Americans alike, can best tailor the programs, assistance, and agreements for which the Compact provides an existing framework. If the stated goal of economic self reliance is real, then there is much that the Marshall Islanders can do for themselves.

A danger all of us policy planners and observers face is knowing when to draw back and let the Marshallese people decide their own priorities. The Marshallese, on their side, if they wish outside assistance, need to articulate where they wish to go and give signs they are committed to getting there. If the RMI really wants to increase trade, stimulate private investment, and seek the economic self-sufficiency the Compact aspires to, the United States government is willing to work closely together to build that private sector led economic bridge into the twenty-first century. I am confident that some



of the paving of that bridge, if not parts of the foundation, will be spelled out in the papers many of you will be presenting today.

My best wishes for a productive and stimulating conference. I look forward to joining you in the sessions. Thank you and komol tata.

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